TITLE SHEET

RESALE TELECOMMUNICATIONS SERVICES

This tariff applies to the Resale Interexchange Telecommunications Services furnished by McLeodUSA Telecommunications Services, Inc. ("Carrier") between one or more points in the State of Arizona. This tariff is on file with the Arizona Corporation Commission, and copies may be inspected, during normal business hours, at Carrier's principal place of business, 6400 C Street SW, Cedar Rapids, Iowa 52406.

Issued: September 10, 1998

Effective: 10-9-98

By: David Conn

Vice President, Law and Regulatory Affairs

6400 C Street SW

Cedar Rapids, Iowa 52406

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DECISION #: N/A



Arizona Access Tariff No. 1 CHECK SHEET Second Revised Page 1 Replaces First Revised Page 1

CHECK SHEET

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CONCURRING CARRIERS

None

CONNECTING CARRIERS

WilTel, Inc.

OTHER PARTICIPATING CARRIERS

None

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TARIFF FORMAT

<u>Sheet Numbering</u>. Sheet numbers appear in the upper right hand corner of the sheets. Sheets are numbered sequentially. From time to time new sheets may be added to the tariff. When a new sheet is added between existing sheets, a decimal is added to the preceding sheet number. For example, a new sheet added between sheets 5 and 6 would be numbered 5.1.

<u>Sheet Revision Numbers</u>. Revision numbers also appear in the upper right corner of sheets. These numbers are used to determine the most current sheet version on file with the Commission. For example, the 4th Revised Sheet No. 14 cancels the 3rd Revised Sheet No. 14.

<u>Paragraph Numbering Sequence</u>. There are nine levels of paragraph coding. Each level of coding is subservient to its next higher level, as shown by the following example:

2 2.1 2.1.1 2.1.1.A 2.1.1.A.1 2.1.1.A.1.(a) 2.1.1.A.1.(a).I 2.1.1.A.1.(a).I.(i) 2.1.1.A.1.(a).I.(i)

<u>Check Sheets</u>. When a tariff filing is made with the Commission, an updated check sheet accompanies the tariff filing. The check sheet lists the sheets contained in the tariff, with a cross-reference to the current revision number. When new sheets are added, the check sheet is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (*). The tariff user should refer to the latest check sheet to find out if a particular sheet is the most current one on file with the Commission.

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TARIFF FORMAT (Cont'd)

<u>Explanation of Symbols</u>. When changes are made in any tariff sheet, a revised sheet will be issued replacing the tariff sheet affected. Changes will be identified on the revised sheet through the use of the following symbols:

- (C) Identifies a changed regulation.
- (D) Identifies a discontinued rate or regulation.
- (I) Identifies an increase in rate.
- (N) Identifies a new rate or regulation.
- (R) Identifies a reduction in rate.
- (T) Identifies a change in text only.

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0.0 Application and Scope of Tariff

0.1 Application

This tariff contains the rates and regulations applicable to regulated intrastate interexchange services provided by McLeod between and among points within the State of Arizona.

0.2 Scope

McLeod's services are provided subject to the availability of facilities and subject to the terms and conditions of this tariff. All services within the jurisdiction of the Commission provided by McLeod between and among points in Arizona are governed by this tariff.

0.3 <u>Interconnection with Other Carriers</u>

Service provided by McLeod may be connected with services or facilities of other carriers or may be provided over facilities provided by carriers other than McLeod. However, service provided by McLeod is not a part of a joint undertaking with any other carrier providing telecommunications channels, facilities, or services.

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By: William P. Heaston
5100 South McLeod Lane
Sioux Falls, SD 57108

1.0 Explanation of Terms and Abbreviations (cont'd)

1.1 <u>Definitions of Terms</u> (cont'd)

Due Date

The last day for payment of a bill without unpaid amounts being considered delinquent or subject to additional collection efforts. The due date may be designated by "due by," "pay by," "if paid by," or other such language on the Member's bill.

Exchange

A unit established for the administration of local communication services.

Exchange Service

A local communications service furnished by means of local exchange plant and facilities.

Extended Area Service or EAS

Telephone service, offered at a flat local rate, between customers located within an exchange area and all customers in an additional exchange area or areas.

Former CCTS Customers

(N)

(N)

For purposes of rates or services available to "former CCTS customers" until | September 1, 1999, a customer that was formerly a customer of CCTS, whose | telecommunications service was transferred to McLeodUSA Telecommunications | Services, Inc., and who has elected to continue to receive all its services under | CCTS's terms, conditions and rates.

Individual Case Basis

The application of a rate, charge, or condition of the tariff as determined by individual circumstances.

Inside Station Wiring or Inside Wiring

Wiring on the premises beyond the demarcation point.

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1.0 Explanation of Terms and Abbreviations (cont'd)

1.1 <u>Definitions of Terms</u> (cont'd)

IntraLATA Service

The completion of calls between points within the boundaries of a Local Access Transportation Area.

Interexchange Service

The provision of intrastate telecommunications services and facilities between local exchanges, excluding EAS.

InterLATA Service

The completion of calls between Local Access Transportation Areas.

Local Access Transportation Area or LATA

A geographic area within which Bell Operating Companies are permitted to offer interexchange service. These areas were established as a result of the break-up of the former Bell System.

Local Exchange Utility or Local Utility

A telephone utility that provides local service under a tariff filed with the Commission. The utility may also provide other services and facilities.

Local Service

Telephone service furnished between points located within an area where there is no toll charge.

McLeod

McLeodUSA Telecommunications Services, Inc.

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ÖRIGINAL

1.0 Explanation of Terms and Abbreviations (cont'd)

1.1 <u>Definitions of Terms</u> (cont'd)

Member

Any person, firm, association, corporation, agency of the federal, state, or local government, or legal entity responsible by law for payment of rates and charges and for compliance with the regulations of McLeod.

Member Contract

A written agreement between the Member and McLeod containing or referring to the rates and regulations applicable to the service being provided.

Member Premises Equipment

All terminal equipment normally used on the Member's premises. This equipment may be Member-owned, or may be owned by McLeod or another supplier and leased to the Member.

Message

A telephone call made by a Member.

Month

For billing purposes, a month is considered to have thirty (30) days.

Public Safety Answering Point

A communications facility operated on a twenty-four (24) hour basis and serving participating jurisdictions that initially receives 911 calls and either directly dispatches emergency response services or relays the calls to the appropriate public safety agency.

Rates

The usage amounts billed to customers for regulated services and/or equipment.

Suspend or Suspension

To disconnect or impair a service temporarily in order to disable either outgoing or incoming calls or both.

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1.0 Explanation of Terms and Abbreviations (cont'd)

1.1 <u>Definitions of Terms</u> (cont'd)

Timely Payment

A payment of the Member's account made on or before the due date shown on a current bill for rates and charges or by an agreement between the Member and McLeod for a series of partial payments to settle a delinquent account.

10XXX Access

A dialing method that enables a Member to reach the long distance carrier of the Member's choice even if the Member is not a regular customer of that long distance carrier. For example, to reach AT&T Communications of the Midwest, Inc., the Member dials "10288."

1.2 Explanation of Acronyms and Trade Names

AT&T = AT&T Communications of the Midwest, Inc.

BOC = Bell Operating Company

DA = Directory Assistance

EAS = Extended Area Service

FCC = Federal Communications Commission

LATA = Local Access Transport Area

MCI = MCI Telecommunications Corporation

NPA = Numbering Plan Area, more commonly known as Area Code

SNI = Standard Network Interface

Sprint = Sprint Communications Company, L.P.

TMO = McLeod Telemanagement Organization (n/k/a McLeodUSA

Telecommunications Services, Inc.

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2.0

2.1 **Undertaking of Carrier**

General Rules and Regulations

2.1.1 General

Pursuant to this tariff, McLeod undertakes to provide within the state regulated intrastate interLATA and intraLATA interexchange services described in Section 3.0. Service will be provided on a statewide basis.

2.1.2 Limitations

- Service is offered subject to the availability of the necessary facilities (A) and equipment and subject to the provisions of this tariff in compliance with limitations set forth in the Commission's rules.
- Carrier reserves the right to discontinue service when the Member is (B) using the service in violation of the provisions of this tariff, signed contract, or the law, with notice as required by the rules of the Commission.
- Carrier does not undertake to transmit messages, but offers the use of (C) its facilities, when available, for that purpose.

2.2 Use

2.2.1 Lawful Purpose

Services provided under this tariff may be used for any lawful purpose for which the service is technically suited consistent with the transmission and switching parameters of the telecommunications facilities utilized in the provision of the service.

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2.2 <u>Use</u> (cont'd)

2.2.2 Use of Service for Unlawful and/or Fraudulent Purposes

Carrier's services are provided subject to the condition that they will not be used for any unlawful and/or fraudulent purpose. Services will not be furnished if any law enforcement agency, acting within its jurisdiction, advises Carrier that such services are being used or are likely to be used in violation of the law and/or in a fraudulent manner. If Carrier receives other evidence giving reasonable cause to believe that such services are being used or are likely to be used for unlawful and/or fraudulent purposes, it may either discontinue or deny the services and/or refer the matter to the appropriate law enforcement agency in accordance with law and/or Commission rules.

2.2.3 Unauthorized Use

Any individual who uses or receives Carrier's services other than under the provisions of an accepted application for service and a current Member relationship shall be liable for the appropriate rates and charges for the service received and for Carrier's costs of investigation and collection.

2.2.4 Recording Devices

Carrier's services are not designed for the use of recording devices, and customers who use such devices to record two-way telephone conversations do so at their own risk.

2.2.5 Use of Service Mark

No Member shall use any service mark or trademark of Carrier or refer to Carrier in connection with any product, equipment promotion, or publication of the Member without the prior written consent of Carrier.

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2.3 <u>Liability</u>

Except for granting credit allowances for interruptions of service as provided in the last paragraph of this section, Carrier shall not be liable for any claim or loss, expense or damage, for any failure of performance due to failure or malfunction of Member-supplied equipment, acts of God, storms, fires, floods or other catastrophes, power failure, natural emergencies, insurrections, riots or wars, or any law, order, regulation, or other action of any governmental authority or agency thereof.

Carrier shall not be liable for, and shall be fully indemnified and held harmless by, Members against any claim or loss, expense or damage, for defamation, libel, slander, invasion, infringement of copyright or patent, unauthorized use of any trademark, trade name, service mark, or proprietary or creative right, or any other injury to any person, property, or entity arising out of the material, data, or information transmitted.

No agent or employee of any other carrier shall be deemed to be an agent or employee of Carrier.

Carrier's liability due to any failure of the transmission shall not exceed an amount equal to the charges provided for by the applicable tariff (for regulated services) and applicable price list, catalogue, and/or contract (for all other services) for the call.

Carrier shall not be liable for damages arising out of the use of Carrier's services for the transmission of anything other than voice grade service.

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2.3 <u>Liability</u> (cont'd)

Notwithstanding anything to the contrary in this section, if Carrier's service is interrupted and remains out of service for more than twenty-four (24) hours after the earlier of being reported to Carrier or being found by Carrier to be out of order, and if the interruption is not the result of a negligent or willful act by the Member, a malfunction of Member-owned equipment, Carrier's inability to gain access to the Member's premises, or causes beyond McLeod's control as described in the first paragraph of this section, Carrier will make appropriate adjustments upon request. Such adjustments, in the form of direct payments or bill credits, will be the proportionate part of the monthly change for all services and facilities rendered inoperative during the interruption, beginning with the hour of the report to Carrier, or discovery by Carrier, of the interruption.

2.4 Equipment

2.4.1 <u>Inspection, Testing, and Adjustment</u>

Carrier may, upon reasonable notice, make such tests and inspections as may be necessary to determine whether the requirements of this tariff are being complied with in the installation, operation, or maintenance of the Member's equipment. Carrier may interrupt the service at any time, without penalty to itself, unless interruption exceeds twenty-four (24) hours.

2.4.2 Interference and Hazard

The operating characteristics of Member premises equipment or communications systems connected to Carrier's services must not interfere with, or impair, any of the services offered by Carrier. Additionally, connected Member premises equipment must not endanger the safety of Carrier employees or the public, damage or interfere with the proper functioning of Carrier's equipment, or otherwise injure the public in its use of Carrier's services.

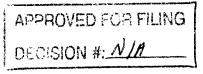
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2.4 Equipment (cont'd)

2.4.3 Maintenance and Repair

2.4.3.A Member Liability

The Member shall be responsible for damages to Carrier's facilities used in the provision of regulated services caused by the negligence or willful act of the Member or those using McLeod's service through the Member. The Member may not physically modify or intrude upon, rearrange, disconnect, remove, or attempt to repair any of Carrier's facilities except upon written consent of Carrier.

2.4.3.B Leased or Owned Facilities

The Member's obligation to Carrier is the same whether the facilities involved are Carrier's facilities or are facilities leased by McLeod from another party. If Carrier incurs expenses due to the Member's actions that result in damage or impairment of Carrier's owned or leased facilities, Carrier will pass on to the Member any and all expenses to repair Carrier's facilities or that the owner imposes on Carrier for leased facilities.

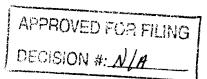
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Vice President, Law and Regulatory Affairs

6400 C Street SW

Cedar Rapids, Iowa 52406



2.5 Contract for Service

Service is installed upon contractual agreement between a Member and Carrier. The contractual agreement specifies the terms and conditions of service not covered by this tariff. The contract does not alter the obligations of Carrier to Members as described in this tariff. The term of the services shall commence and will remain in effect from the service activation date specified in the contract for the term of the contract. Should Carrier continue to provide service after the initial term without further agreement, the service shall continue under the terms of the then applicable tariff on a month-to-month basis. A contract may, however, provide for the renewal of the contract for a period similar to its existing term, if the member does not advise Carrier that the member desires to terminate the contract by a reasonable time prior to its expiration date.

2.6 Application for Service

2.6.1 <u>Information Required</u>

When applying for service, each prospective Member will be required to furnish Carrier with the following information:

- (A) The name of the party who will be responsible for payment for the service provided.
- (B) The address or addresses or exact location of the premises where service is to be provided <u>and</u> billed.
- (C) Any information required to make a proper determination of appropriate creditworthiness.

2.6.2 Initiation of Service

Service shall be deemed to be initiated upon the service activation date specified in the Member contract.

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ORIGINAL 1st Revised Page No. 20 Cancelling Original Page No. 20

General Rules and Regulations (cont'd) 2.0

> Reserved for Future Use 2.7

> > (D)

(D)

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2.0 General Rules and Regulations (cont'd)

2.8 Billing

2.8.1 Monthly Billing

Bills to Members will be issued monthly unless Carrier is authorized by the Commission to bill at other than monthly intervals because of unusual circumstances. Toll charges are billed in arrears.

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2.8 Billing (cont'd)

Bill Contents 2.8.2

The bill form or a bill insert will provide the following information: the dates at the beginning and end of the billing period; the last date for timely payment, which shall not be less than thirty (30) days after the bill is rendered; the amount of the net charge, stated by category, for ancillary services and equipment, toll service, information service, sales tax and excise tax, and of any late payment charge, together with the gross amount of the bill, with separate entries for total amounts current or in arrears. Carrier will also comply with reasonable requests for bill detail.

2.9 Payment for Service

Late Penalty Charge 2.9.1

Carrier may impose a late payment charge not to exceed 1.5% on any bill not paid within thirty (30) days of receipt of the bill. Member shall be responsible for all costs, including attorneys' fees, incurred in the collection of unpaid charges or in any other action to enforce payments and/or obligations arising under this tariff.

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McLeodUSA Telecommunications Services, In ORIGINA Tariff Arizona C.C. No. 1 Original Page No. 23

2.0 General Rules and Regulations (cont'd)

2.9 Payment for Service (cont'd)

2.9.2 <u>Timely Payment for Residential Members</u>

Each residential Member is permitted to have a last day for timely payment changeable for cause in writing.

2.9.3 Collection

No collection efforts other than the rendering of the bill shall be undertaken until the delinquency date.

2.9.4 Taxes and Fees

Any governmental assessments, fees, licenses, or other similar taxes or fees imposed upon Carrier on a per-call basis shall be charged to Members receiving Carrier's service within the territorial limits of the governmental authority imposing such taxes and fees. Such taxes and fees will be allocated among such Members uniformly on the basis of Members' monthly charges for the types of service made subject to the taxes or fees. Such taxes and fees will be separately stated on bills.

2.10 Disputes and Complaints

2.10.1 Disputed Bills

In the event of a dispute concerning the bill, Carrier will require the Member to pay a sum of money equal to the amount of the undisputed portion of the bill. Following payment of the undisputed amount, efforts to resolve the complaint using the complaint procedures in Section 2.10.2 shall continue, and the service shall not be disconnected for nonpayment of the disputed amount during this time. If a Member does not give Carrier written notice of a dispute with respect to Carrier's charges within two (2) years from the later of the date of the bill or the date of the discovery of the dispute, the bill shall be deemed correct and binding upon the Member.

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2.0 General Rules and Regulations (cont'd)

2.10 <u>Disputes and Complaints</u> (cont'd)

2.10.2 Complaint Procedures

Inquiries, general questions, or complaints may be directed informally to Carrier by telephone, in person, or in writing at Carrier's office located at 6400 C Street, SW, Cedar Rapids, Iowa 52406. Business customers can reach Carrier's customer service department by dialing toll-free: 1-800-593-1177. Residential customers can reach Carrier's customer service department by dialing toll-free: 1-800-500-3543. Carrier's customer service department accepts calls on a twenty-four-hour-a-day basis. Complaints concerning the charges, practices, facilities, or services of McLeod will be investigated promptly and thoroughly. Carrier will keep records of each complaint showing the name and address of the complainant, the date and nature of the complaint, its disposition, and all other pertinent facts dealing with the complaint that will enable Carrier to review and analyze its procedures and actions. The records maintained by Carrier under this tariff will be available for inspection by the Commission or its staff upon request. Within thirty (30) days of the receipt of a written complaint, Carrier will provide written notice to the Member of the status of the complaint. Each Member may file with the Commission for resolution of disputes. Each complainant will be mailed a statement of the complainant's right to contact the Commission at:

> Arizona Corporation Commission 1200 W. Washington Street Phoenix, Arizona 66604 (602) 542-4251

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(T)

2.0 General Rules and Regulations (cont'd)

2.10 Disputes and Complaints (cont'd)

2.10.3 Bill Insert or Notice

Carrier shall notify Members, by bill insert or notice on the bill form, of the address and telephone number where a Carrier representative qualified to assist in resolving the complaint can be reached.

2.11 Service Refusal, Disconnection, and Suspension

2.11.1 Notice of Pending Disconnection

Prior to the disconnection of service, Carrier shall provide a written notice to the Member setting forth the reason for disconnection and the final date by which the account is to be settled or specific action taken. Final dates shall be no less than five (5) calendar days with respect to an unpaid bill, and no less than twelve (12) days with respect to an unpaid deposit, after the notice is rendered. The notice shall be considered rendered to the Member when deposited in the U.S. Mail with postage prepaid. If delivery is by other than U.S. Mail, the notice shall be considered rendered when delivered to the last known address of the person responsible for payment for the service. The notice will specify (800) 593-6666 as a toll-free number at which a Carrier representative can be reached to provide additional information about the disconnection.

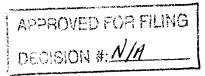
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- 2.11 Service Refusal, Disconnection, and Suspension (cont'd)
 - 2.11.2 Reasons for Service Refusal, Disconnection, and Suspension

Service may be refused, disconnected, or suspended:

- (A) Without notice if a condition on the Member's premises is determined by McLeod to be hazardous.
- (B) <u>Without notice</u> if the Member uses the service in such a manner as to adversely affect Carrier's equipment or Carrier's service to others.
- (C) <u>Without notice</u> if equipment furnished, leased, or owned by Carrier is subject to tampering.
- (D) <u>Without notice</u> if there is unauthorized use. Unauthorized use includes, without limitation, use or attempted use for an unlawful purpose and/or use or attempted use in any fraudulent manner.

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- 2.0 General Rules and Regulations (cont'd)
 - 2.11 Service Refusal, Disconnection, and Suspension (cont'd)
 - 2.11.2 Reasons for Service Refusal, Disconnection, and Suspension (cont'd)
 - (E) If there are reasonable grounds to believe there is a violation of or noncompliance with Carrier's regulations on file with the Commission, municipal ordinances, or law.
 - (F) If the Member or prospective Member fails to furnish service equipment, permits, certificates, or rights-of-way specified to be furnished in Carrier's regulations filed with the Commission as conditions for obtaining service, or withdraws such equipment or terminates those permissions or rights, or fails to fulfill the contractual obligations imposed upon the Member as conditions of obtaining service.
 - (G) If the Member fails to permit Carrier reasonable access to its equipment.

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2.11 Service Refusal, Disconnection, and Suspension (cont'd)

2.11.3 Refusal, Disconnection, and Suspension of Service for Nonpayment of Bill or Deposit

Except as restricted by Section 2.11.4, service may be refused, disconnected, or suspended for nonpayment of a bill or deposit if Carrier has made a reasonable attempt to effect collection and:

- (1) Carrier has provided the Member with five (5) days' prior written notice with respect to an unpaid bill. However, disconnection may take place prior to the expiration of the 5-day unpaid bill notice period if Carrier determines from verifiable data that usage during the 5-day notice period is so abnormally high that a risk of irreparable revenue loss is created.
- (2) In the event of a dispute concerning the bill, Carrier will require the Member to pay a sum of money equal to the amount of the undisputed portion of the bill. Following payment of the undisputed amount, efforts to resolve the complaint using the complaint procedures in Section 2.10.2 shall continue, and for not less than forty-five (45) days after the rendering of the disputed bill, the service shall not be disconnected for nonpayment of the disputed amount.

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2.0 General Rules and Regulations (cont'd)

- 2.11 Service Refusal, Disconnection, and Suspension (cont'd)
 - 2.11.4 Insufficient Reasons for Refusal, Suspension, or Discontinuance of Service

The following reasons are not sufficient cause for refusal, suspension, or discontinuance of service to a present or prospective member:

- (1) Delinquency in payment for service by a previous occupant, other than a member of the same household, of the premises to be served.
- (2) Failure to pay for terminal equipment, new inside station wiring, or other merchandise purchased from Carrier.
- (3) Failure to pay for directory advertising charges or other unregulated charges.
- (4) Failure to pay for 900, 960, or 976 calls disputed by the customer.

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2.0 General Rules and Regulations (cont'd)

2.12 Cancellations and Deferments of Service

When a Member cancels or defers an order for service before the service is activated, a charge applies that will allow Carrier to recover its unrecovered costs, including but not limited to outside vendor charges, engineering, labor, materials, and equipment. Charges apply as follows:

2.12.1 Cancellation

In a cancellation situation, the charge is equal to the unrecoverable costs incurred prior to the request for cancellation and the costs of removal, restoration, and disposal, if any, to comply with the cancellation. Those costs include, but are not limited to, costs of outside vendors, engineering, labor, nonrecoverable materials, and equipment expense.

2.12.2 Deferment of Start of Service

If a request for deferment of service is received by Carrier prior to the date an order for equipment or service is placed with Carrier's supplier, no charge shall apply. For deferments received by Carrier subsequent to the date the order for equipment or service is placed with Carrier's supplier, a monthly recurring charge based upon the costs incurred prior to the request for the deferment applies. This monthly rate shall be equal to the deferred investment multiplied by the monthly prime interest rate as announced by Firstar Bank of Cedar Rapids, N.A., plus recurring costs resulting directly from the deferral such as storage, taxes, etc. In addition, any extraordinary nonrecurring costs resulting from the deferral, such as additional engineering, labor, and transportation, shall be billed in total. Billing shall start at the beginning of the month of deferment and extend to the start of service. Charges shall not exceed the monthly rate that would have applied had the service been established. Carrier will also charge the Member who defers service any and all rates and charges incurred by Carrier for any leased facilities for which Carrier is held responsible. Carrier will make a good faith effort to minimize those rates and charges whenever possible.

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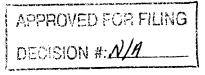
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Information Service Access Blocking 2.13

Where facilities are available, Members have the option to block access to all "900" and "976" prefix numbers, without charge for the first block. Carrier will comply with all applicable rules of the Commission concerning such blocking.

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3.0 <u>Description of Services Offered</u>

3.1 Long Distance Interexchange Services

3.1.1 Nature of Service

Carrier offers long distance interexchange telephon services that allow customers to originate and terminate calls at locations within the State of Arizona. Usage cahrges are generally based on the distance, duration, and time of day of each call.

3.1.2 Availability

Carrier offers long distance interexchange services in Arizona. These services are an add-on to interstate long-distance services provided by Carrier, and are available as provided in Carrier's interstate tariff.

3.1.3 <u>Dialing Procedures</u>

Long distance interexchange services may be accessed by dialing the digit "1", followed by the NPA/area code, then the desired 7-digit local telephone number. Members may also need to employ 10XXX dialing, using an XXX code to be supplied by McLeod, to direct intraLATA calls to Carrier. Those calls may otherwise be carried by another carrier.

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3.0 <u>Description of Services Offered</u> (cont'd)

3.6 <u>800 Services</u>

3.2.1 Nature of Services

Carrier 800 services are inward WATS services that permit intrastate calls to a customer's station in one location from stations in diverse geographical locations, and for which the Carrier customer is billed for the calls rather than the call's originator. Unless otherwise specified, all Carrier 800 calls are subject to a 30-second average connect time (i.e., total monthly minutes of use divided by total monthly calls must equal at least 30 seconds) for a given terminating service group. All calls are rounded up to the next higher 6-second increment. In the event that 800 calls do not meet the 30-second average connect time requirement, billable usage will be increased by a surcharge equal to the necessary number of minutes at the average cost per minute to meet the 30-second requirement. In addition, Members may also order Originating ANI Sorting, which provides the Member with a detailed monthly analysis of the originating telephone numbers of those placing 800 calls.

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3.0 <u>Description of Services Offered</u> (cont'd)

3.3 <u>Travel Calling Card Service</u>

Travel Calling Card Service is post-paid calling card which enables the Member to make long distance calls through the use of a calling card.

3.7 <u>Promotional Offerings</u>

Carrier may from time to time engage in special promotional service offerings designed to attract new customers or to increase existing customers' awareness of a particular tariff offering. These offerings may be limited to certain dates, times and/or locations, and notice of such promotions will be provided pursuant to Commission rules.

In addition to tariffed promotional offerings, Carrier may, in conjunction with the Most Favored Member clause in its Member Service Agreement, offer individualized arrangements on a case-by-case basis where necessary to meet prices, terms, or conditions of service offered by competitors. In such cases, the prices offered by Carrier shall not exceed the prices for similar services contained in this tariff.

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4.0 Rates and Charges

ORIGINAL

4.1 Nonrecurring Charges

4.1.1 Early Termination Charges

If a Member terminates service prior to the expiration of the term of the contract (see Section 2.5), the Member will be required to pay the early termination charge in accordance with the member's contract for service.

4.1.2 Third Party Vendor Charges

Members may also be charged for certain charges incurred by Carrier (at the Member's instruction) in obtaining services from third party vendors. At the earliest opportunity, the Member will be advised of the nature of the charges and the estimated amount of the charges.

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4.0 Rates and Charges (cont'd)

ORIGINAL

4.2 <u>Usage Rates</u>

4.2.1 Long Distance Interexchange Services

4.2.1.A Chargeable Time

Chargeable time begins when the connection is established between the calling station and the called station. Chargeable time ends when either side of the connection is terminated. Chargeable time does not include time lost because of faults or defects in the service. Calls are billed in initial and additional one minute increments, with any fractional portion of a call being rounded up to the next highest billing increment.

4.2.1.B <u>Determination of Mileage</u>

Mileage for distance-sensitive rates is determined on an airline miles basis. Calling distance is measured from the rate center of the originating terminal (instrument from which the call is placed or switch location if autodialed from the instrument location) to the rate center of the destination of the call, regardless of company routing. The rate centers of a call are assigned geographical vertical and horizontal coordinates (V&H). These V&H points are determined by the underlying carrier of the service.

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4.0 Rates and Charges (cont'd)

ORIGINAL

4.2 <u>Usage Rates</u> (cont'd)

4.2.1 Long Distance Interexchange Services (cont'd)

4.2.1.C Rates Per Minute

 Minimum
 Maximum

 Peak:
 \$0.1800
 \$0.2500

 Off-Peak:
 \$0.1450
 \$0.2500

4.2.1.D Time of Day

All periods ending on a specific hour run to, but not including, the stated hour.

1. Peak/Off-Peak Rates

As an alternative to the foregoing time-of-day periods, some options allow for peak rates (Monday through Friday, 8:00 a.m. to 5:00 p.m.) and off-peak rates (all other times).

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- 4.0 Rates and Charges (cont'd)
 - Usage Rates (cont'd) 4.2
 - 4.2.2 <u>800 Services</u>
 - 4.2.2.A. **Recurring Charges**

Members are charged \$10 per month per 800 line.

Non-Recurring Charges 4.2.2.B

> **Minimum Maximum** \$150.00

Area Code Blocking \$110.00

4.2.2.C **Usage Sensitive Rates**

> All incoming calls are charged at the same rate regardless of point of origin. Day or peak rates are applicable from 8:00 a.m.

to 5:00 p.m. Monday - Friday.

4.2.2.D Rates Per Minute

Peak:

<u>Minimum</u> **Maximum** \$0.2500 \$0.1800 \$0.2500 Off-Peak: \$0.1450

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4.0 Rates and Charges (cont'd)

4.2.3 Travel Calling Card Service

A.

Rates Per Minute

<u>Minimum</u> <u>Maximum</u> \$0.1800 \$0.2500

\$0.1450

Off-Peak:

\$0.2500

В.

Surcharge Per Call

<u>Minimum</u> \$0.80

Peak:

Maximum

\$1.10

4.2.4 Residential Interexchange Service II

(N)

These rates apply to jurisidicational calls made by subscribers to Residential Interexchange Service II in conjunction with Rate Table 13 in McLeodUSA's interstate tariff.

Outbound Interexchange Service

| Total Usage | Rate Per Minute | | | |
|-------------------|-----------------|----------------|--|--|
| | <u>Minimum</u> | <u>Maximum</u> | | |
| \$0 - \$24.99 | \$0.1650 | \$0.2500 | | |
| \$25.00 - \$49.99 | \$0.1485 | \$0.2250 | | |
| \$50.00 + | \$0.1320 | \$0.2000 | | |

Inbound Interexchange Service

| | <u>Minimum</u> | <u>Maximum</u> |
|------------|----------------|----------------|
| Per Minute | \$0.2200 | \$0.2500 |

(N)

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5.0 Former CCTS (Midwest Fibernet) Rates and Services

First Minute

- 5.1 <u>1+ Dial-Up Service Rates</u>
 - 5.1.1 No charge is made for an uncompleted call.
 - 5.1.2 1+ Dial-Up Rates are determined on a per-minute or fraction thereof basis, by time of day and day of week basis as specified in the following rate table. Minimum call duration is six (6) seconds and duration is measured in six (6) second increments thereafter.

Each Add'l Minute

| _ | Mot Minate | | | | |
|------------|------------|------------|-------------|------------|------------|
| <u>Day</u> | Eve | <u>N/W</u> | <u>Day</u> | <u>Eve</u> | <u>N/W</u> |
| \$.1650 | \$.1450 | \$.1450 | \$.1650 | \$.1450 | \$.1450 |

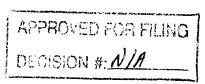
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- 5.0 Former CCTS (Midwest Fibernet) Rates and Services (cont'd)
 - 5.2 Private Line Service
 - a. DS-0 (Analog and Digital)
 - (1) Monthly mileage: to determine the total, add the fixed charge plus multiply the number of miles times the rate per mile.

Mileage Bands Monthly charges per Circuit Mile

| | Fixed | Per Mile |
|-------------|----------|----------|
| 0 - 250 MAX | \$230.00 | \$.50 |
| 251 + MAX | \$250.00 | \$.40 |

(2) One-Time Installation Charges

Analog \$300.00 9.6 DDS \$350.00 56K DDS \$450.00

(3) Discounts are available off of the above monthly mileage rates for long term service contracts, as follows:

| Term of Contract | Discount |
|------------------|----------|
| 1 Year | 3% |
| 2 Years | 5% |
| 3 Years | 7% |
| 4 Years | 9% |
| 5 Years | 10% |

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5.0 Former CCTS (Midwest Fibernet) Rates and Services (cont'd)

5.2 Private Line Service (continued)

- b. DS1/1.544 Digital Facility
 - (1) Monthly mileage: to determine the total, add the fixed charge plus multiply the number of miles times the rate per mile.

Mileage Bands Monthly charges per Circuit Mile

| | Fixed | Per DS-0 Mile |
|-------------|----------|---------------|
| 0 - 499 MAX | \$500.00 | \$.20 |
| 500+ MAX | \$750.00 | \$.22 |

(2) One-Time Installation Charges

\$600.00

(3) Discounts are available off of the above monthly mileage rates for long term service contracts, as follows:

| Term of Contract | Discount |
|------------------|-----------------|
| 1 Year | 3% |
| 2 Years | 5% |
| 3 Years | 7% |
| 4 Years | 9% |
| 5 Years | 12% |

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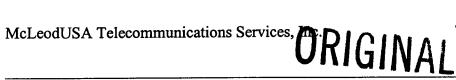
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- 5.0 Former CCTS (Midwest Fibernet) Rates and Services (cont'd)
 - 5.2 Private Line Service (continued)
 - c. DS-3 Facility
 - (1) Monthly mileage: to determine the total, add the fixed charge plus multiply the number of miles times the rate per mile.

| Mileage Bands | Monthly charges per Circuit Mile | | |
|---------------|----------------------------------|---------------|--|
| | Fixed | Per DS-0 Mile | |
| 0 - 100 MAX | \$7700.00 | \$.10 | |
| 101 + MAX | \$9750.00 | \$.095 | |

(2) One-Time Installation Charges

\$1,000.00

(3) Discounts are available off of the above monthly mileage rates for long term service contracts, as follows:

| Term of Contract | <u>Discount</u> |
|------------------|-----------------|
| 1 Year | 3% |
| 2 Years | 5% |
| 3 Years | 7% |
| 4 Years | 9% |
| 5 Years | 10% |
| | |

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- 5.0 Former CCTS (Midwest Fibernet) Rates and Services (cont'd)
 - 5.2 Private Line Service (continued)
 - d. Multiplexing Maximum Rate \$1,000
 - e. Cross Connect Maximum Rate \$75
 - f. DACS Maximum Rate \$300
 - g. Echo Canceler Maximum Rate \$150
 - h. All charges incurred by McLeodUSA from the Local Exchange Carrier in the provisioning of service will be charged to the customer pursuant to such Local Exchange Carrier's Interexchange Access Tariffs.
 - 5.3 Operator Assistance Charges

| 5.3.1 | Customer Dialed Calling Card Station | \$0.80 |
|-------|--------------------------------------|--------|
| 5.3.2 | Operator Station | \$1.94 |
| 5.3.3 | Person-to-Person | \$3.00 |

5.3.4 Usage charges are the same as the Dial-Up Service Rates listed in Section 5.1.

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